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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/755,591

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Stewart Harris

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7590

04/21/2006

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EXAMINER

HAVAN, THU THAO

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 04/21/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/755,591

Applicant(s)

HARRIS ET AL.

Examiner

Thu Thao Havan

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 17 January 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-22,24,25,27 and 28 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-22,24,25,27 and 28 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

### **Detailed Action**

#### ***Response to Amendment***

Claims 1-22, 24-25, and 27-28 are pending. This action is in response to the amendment received January 17, 2006.

#### ***Response to Arguments***

Applicant's arguments with respect to claims 1-22, 24-25, and 27-28 have been considered but are moot in view of the new ground(s) of rejection.

#### **Claim Rejections - 35 USC § 103**

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims **1-22, 24-25, and 27-28** are rejected under 35 U.S.C. 103(a) as being unpatentable over May (US 6,317,727) in view of Silverman et al. (US 5,136,501) and further in view of Walker et al. (US 6,477,513).

Re claims **1 and 12**, May teaches a method for monitoring credit of a counterparty having a parent entity (col. 46, lines 14-42), comprising:

receiving trade information relating to trades entered into by the counterparty (col.5, lines 32-37);

accumulating positions for the counterparty indicated by the trade information with previously accumulated positions and accumulating positions for the parent entity indicated by the trade information with previously accumulated positions (1, line 65 to col. 2, line 5; col. 46, lines 14-29);

comparing at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading limit (col. 2, lines 27-39; col. 47, lines 39-50). *In other words, May discloses monitoring credit risks in electronic trading systems. He discloses a credit monitoring system that forms a complex check to determine if two particular counterparties will accept each other for a particular trade based upon their respective predefined credit preference. His system is a computer readable program code for evaluating the first and second credit preferences with respect to a trade of counterparties.*

However, May does not explicitly teach the counterparty when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit. Nevertheless, May acknowledges in the background of his invention that blocking off trading in excess of the applicable gross credit limit (col. 1, line 51 to col. 2, line 19). On the other hand, Silverman specifically discloses the counterparty when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit (col. 1, lines 44-63; col. 3, lines 18-67; col. 7, lines 2-26; col. 14, lines 17-41; col. 15, lines 64-67; col. 19, lines 33-57; col. 22, lines 23-35). Silverman discloses the potential match exceeds gross counterparty credit limit then the system disposes of the entry. His system removes the bid. He discloses completion of potential matching transaction between transaction

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originating keystations and counterparty keystations are inhibited or blocked when the potential matching transaction has an associated value in excess of the gross counterparty credit limit. Thus, it would have been obvious to one of ordinary skill in the art to enable trading for the counterparty when counterparty and parent entity positions exceeds one trading limit due to credit limits as discloses in Silverman.

However, May and Silverman do not explicitly teach shutting off a trading account. On the other hand, Walker specifically discloses shutting off a trading account by closing the account (col. 8, lines 1-14; fig. 6). His system involves large multinational intermediary banks or trading companies in that smaller banks do not have direct or ongoing relationships with foreign banks. He discloses the buyer may use an expire key to close the CEA and withdraw the deposited money. The seller returns buyer and seller-signed contract to buyer through an agreed upon trusted agent, thus closing the agreement. Thus, it would have been obvious to one of ordinary skill in the art to shut off a trading account for the counterparty when counterparty and parent entity positions exceeds one trading limit in order to block or inhibit a trade to take place due to credit limits as discloses in Walker.

Re claims **2** and **13**, May teaches receiving trade information relating to at least one of cleared trades and failed trades; adjusting accumulated counterparty positions based upon the trade information relating to the at least one of the cleared trades and the failed trades; and adjusting accumulated parent entity positions based upon the trade information relating to the at least one of the cleared trades and the failed trades (col. 2, lines 27-39; col. 3, lines 32-53; col. 46, lines 14-29).

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Re claims 3 and 14, May teaches accumulating counter party positions based upon long-bond-equivalents (col. 17, lines 17-47; col. 18, lines 3-13; col. 19, line 59 to col. 20, line 18; col. 23, lines 1-26; col. 41, lines 1-28; col. 43, lines 15-42; col. 45, lines 39-45).

Re claims 4 and 15, May teaches accumulating parent entity positions based upon long-bond-equivalents (col. 46, lines 14-43).

Re claims 5 and 15, May teaches updating an operator interface that shows the accumulated counterparty positions (col. 46, lines 43-60).

Re claims 6 and 15, May teaches updating an operator interface that shows the accumulated parent entity positions (col. 46, lines 30-60).

Re claims 7 and 15, May teaches comparing of at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading limit comprising: determining whether the at least one trading limit includes a limit for the accumulated counterparty positions; and comparing the accumulated counterparty positions to the limit for the accumulated counterparty positions when the limit exists (col. 1, line 51 to col. 2, line 19).

Re claims 8 and 15, May teaches comparing of at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading limit comprising: determining whether the at least one trading limit includes a limit for the accumulated parent entity positions; and comparing the accumulated parent entity positions to the limit for the accumulated parent entity positions when the limit exists (col. 1, line 51 to col. 2, line 19; col. 46, lines 43-60).

Re claims **9** and **15**, Silverman teaches sending a message to indicate when trading for the counterparty has been shut off (col. 19, lines 33-57). *The alert system of Silverman is the message to indicate when trading has been shut off.*

Re claims **10** and **15**, May teaches comparing at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading warning level; and sending a message to indicate when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading warning level (col. 46, lines 30-60).

Re claims **11** and **15**, May teaches providing an operator interface that prompts an operator to specify the at least one trading limit (figs. 32-33).

Re claims **24-25** and **27-28**, Walker teaches shutting off trading for the counterparty further comprises shutting off/disable the trading account of the counterparty (col. 8, lines 1-14; fig. 6). The expired account is the close account or the disable/shutting-off account.

### **Conclusion**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thu Thao Havan whose telephone number is (571) 272-8111. The examiner can normally be reached on Monday-Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct-uspto.gov/>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at (866) 217-9197 (toll-free).

TTH  
4/5/2006

**VINCENT MILLIN**  
**SUPERVISORY PATENT EXAMINER**  
**TECHNOLOGY CENTER 3600**

A handwritten signature in black ink, appearing to read "Vincent Millin", is located below the printed name and title.